

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 9331-E
NATURAL GAS COMPANY, INC.)	

O R D E R

On December 19, 1985, the Commission issued its Order in Case No. 9331 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On December 30, 1986, Delta Natural Gas Company, Inc., ("Delta") filed its quarterly GCA which is to become effective February 1, 1987, and is to remain in effect until May 1, 1987.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Delta's notice of December 30, 1986, set out certain revisions in rates which Delta proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in gas costs from its suppliers in the amount of 41.84 cents per Mcf.

(2) Delta's notice set out a total refund adjustment of 4.68 cents per Mcf, replacing the previous adjustment of 8.51 cents per Mcf. There was no material supplier refund included in the current quarter supplier refund adjustment.

(3) Delta's notice set out a current quarter actual adjustment in the amount of 21.71 cents per Mcf to compensate for previous under-recovery of gas cost by the company through the operation of its gas cost recovery procedure.

(4) Delta's notice set out a balance adjustment of 9.55 cents per Mcf to compensate for under-collections which occurred as a result of previous gas cost, refund and balance adjustments.

(5) Delta proposed a gas cost recovery rate in the amount of \$3.2526 per Mcf. This is an increase of \$0.0705 per Mcf from the rate previously in effect. The increase represents the combined effect of the supplier decrease, refund, actual and balance adjustments.

(6) Delta's notice reflects the rates as filed by Columbia Gas Transmission Corporation ("Transmission") with the Federal Energy Regulatory Commission ("FERC") in Columbia's general rate case. The FERC has suspended the proposed rates through March 31, 1987. Delta proposes to treat the decrease from Transmission and the subsequent decrease from Wiser as though they were effective February 1, 1987, having chosen to underbill rather than overbill during Transmission's suspension period. The underbilling will be adjusted for in future actual and balance adjustments and should be allowed.

(7) Delta's adjustment in rates contained in the Appendix to this Order under the GCA provisions approved by the Commission in its Order in Case No. 9331 dated December 19, 1985, should be approved to be effective with final meter readings on and after February 1, 1987.

IT IS THEREFORE ORDERED that:

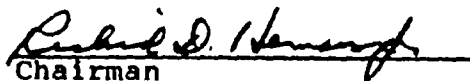
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with final meter readings on and after February 1, 1987.

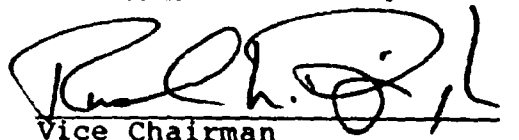
(2) The gas cost recovery rate shall be \$3.2526 per Mcf effective with final meter readings on and after February 1, 1987.

(3) Within 30 days of the date of this Order Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 22nd day of January, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9331-E DATED 1/22/87

The following rates and charges are prescribed for the customers served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers who purchase their entire natural gas requirements from Delta.

RATES

<u>Rate</u>	<u>Base</u>	<u>Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
		plus		equals
General Service				
Monthly Customer Charge				\$3.98
1 - 1,000 Mcf	\$2.1096		\$3.2526	\$5.3622 per Mcf
1,001 - 5,000 Mcf	1.9637		3.2526	5.2163 per Mcf
5,001 - 10,000 Mcf	1.6575		3.2526	4.9101 per Mcf
Over 10,000 Mcf	1.3512		3.2526	4.6038 per Mcf
Interruptible (2)				
1 - 1,000 Mcf	\$1.8543		\$3.2526	\$5.1069 per Mcf
1,001 - 5,000 Mcf	1.7085		3.2526	4.9611 per Mcf
5,001 - 10,000 Mcf	1.4023		3.2526	4.6549 per Mcf
Over 10,000 Mcf	1.096		3.2526	4.3486 per Mcf